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# NASA Procedural Requirements

**COMPLIANCE IS MANDATORY****NPR 9680.1B**Effective Date: August 13,  
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2020[Printable Format \(PDF\)](#)

Request Notification of Change (NASA Only)

## **Subject: NASA's Grants and Cooperative Agreements Advance Payments**

**Responsible Office: Office of the Chief Financial Officer**[| TOC](#) | [Preface](#) | [Chapter1](#) | [Chapter2](#) | [AppendixA](#) | [AppendixB](#) | [ALL](#)

## **Chapter 2 Suspension and Termination of Advance Payments**

### **2.1 Overview**

This chapter provides NASA's requirements for suspension or termination of a recipient's advance payment when a recipient is unwilling or unable to comply with cash management, financial systems, financial reporting requirements, or the terms and conditions of the award. (Refer to 2 CFR §200.305 Payment.) A recipient's inability to meet the requirements of the Federal award may also impact the advance payment option. When advance payments are suspended or terminated due to an inability to meet the award requirements and the Federal award is continued, NASA will pay the recipient by the reimbursement payment method.

### **2.2 Agency Requirements**

2.2.1 When a recipient has demonstrated an unwillingness or inability to comply with cash management, financial management system, or financial reporting requirements, the grant officer, after consultation with the NSSC/GSFC CFO, may temporarily suspend advance payment to the recipient pending corrective action by the recipient. In addition to the financial requirements, if a recipient fails to comply with specific conditions of the grant or cooperative agreement, the grant officer may request the NSSC/GSFC CFO to suspend or terminate the advance payment. In limited circumstances, the severity of the violation may warrant an immediate termination of advance payment.

2.2.2 A decision to terminate advance payment is predicated upon a recipient's consistent demonstration of an unwillingness or inability to comply with cash management, financial management system, financial reporting requirements, or grant and cooperative agreement terms/conditions/objectives. The grant office may initiate termination of the advance payment after the recipient has failed to implement the agreed upon corrective action or the advance payment has been suspended a minimum of two times.

2.2.3 The grant officer notifies the recipient in writing. At a minimum, the notification will include the determination, the supporting documentation, and the effective date. Following termination of advance payment, the recipient will receive payment through the reimbursement payment method (2 CFR §200.305(b)(3)).

### **2.3 Offending Conditions and Notification**

2.3.1 Suspension/Termination Conditions. This section describes common offending situations when a grant officer may suspend or terminate advance payments to a recipient.

a. Recipient withdraws funds in excess of current requirements. A grant officer may suspend the advance payments as an initial remedy to give the recipient time to correct the situation. If the recipient organization continues to withdraw funds in excess of current needs, the grant officer may terminate advance payments. The recipient would be placed on the reimbursement payment method to finance its operations with its own working capital.

b. Recipient fails to establish procedures that minimize the time elapsing between drawdown and their related disbursements. The grant officer may suspend the advance payment when a recipient is unwilling or unable to

establish required cash management procedures. The suspension gives the recipient time to establish the required procedures.

c. Recipient is unwilling or unable to establish a financial management system that meets the standard requirements (identified in 1.2.1), as evidenced by an inability to meet financial requirements or as identified in an audit report. The grant officer may place the recipient on the reimbursement payment method until the recipient is able to correct and validate the situation.

d. Recipient fails to submit a FFR by established due dates. When a recipient fails to submit required financial management reports on a timely basis, DHHS/PMS may suspend drawdowns until the recipient complies with reporting requirements. DHHS/PMS provides NSSC a status report on a quarterly basis. This status report indicates the status of each recipient submitting the FFR. The NSSC provides the status report to the Procurement Office for review and determination of action regarding those recipients who did not file required reports.

e. Recipient fails to comply with the non-financial terms and conditions of the grant or cooperative agreement. The grant officer may initiate suspension or termination of advance payments in this situation. In these cases, the grant officer shall consult with the NSSC/GSFC CFO.

2.3.2 Notification of Suspension, Termination, and Reinstatement. Suspension, termination, and reinstatement of advance payment may be initiated by DHHS/PMS, or the responsible grant officer, depending on the offending condition. For any offending condition, the recipient will promptly be notified in writing of the determination and the effective date and provided supporting documentation.

2.3.2.1 Following are the notification requirements for non-DHHS/PMS initiated actions:

a. The grant officer shall promptly notify the recipient, in writing:

(1) Of the determination to temporarily withhold further payments pending corrective action by the recipient or pending a decision to terminate. For suspensions imposed by DHHS/PMS for negligence in providing required FFR, the recipient will be notified by e-mail that the report is delinquent.

(2) Of the determination, the reasons for termination, and the effective date.

(3) That a previously suspended or terminated arrangement is to be reinstated, including the reasons for the reinstatement and the effective date.

2.3.2.2 The grant officer shall:

a. Coordinate the action with other affected cognizant Agency staff before implementing the action.

b. Notify DHHS/PMS, in writing, of any determination to suspend, terminate, or reinstate a recipient's advance payment.

## 2.4 Roles and Responsibilities

2.4.1 The Agency CFO/Deputy CFO (Finance) shall maintain policy on NASA advance payment suspension and termination requirements.

2.4.2 The NASA Grant Officer shall:

a. Request the NSSC CFO to either suspend or terminate advance payment to a recipient when a recipient has failed to comply with requirements outlined in 1.2.1, the grant or cooperative agreement objectives, the terms and conditions of the award, or NASA reporting requirements.

b. Notify recipients when suspension or termination of advance payment may be initiated for noncompliance.

c. Notify the technical officer of suspension or termination of advance payment to a recipient.

d. Notify DHHS/PMS, in writing, of any determination to suspend, terminate, or reinstate a recipient's advance payment.

e. Take prompt action to suspend drawdowns or terminate advance payments to the recipients in accordance to this NPR.

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